

# NORTHEAST REGIONAL DEVELOPMENT COMMISSION

## **Purpose**

The Northeast Regional Development Commission will invest in economically distressed communities. It will create and implement regional economic development plans to reduce poverty, address changing land use, and improve the quality of life for residents. The Commission will provide funding for projects that stimulate economic development and promote the historic character and industries of the region—it will add to, but not supplant, existing institutions and programs that provide funding, such as the Economic Development Administration, state agencies, and local development organizations.

## **The Need**

Many residents of the Northeast region live below the poverty level, in areas of significantly higher-than-average unemployment rates, with limited access to capital, and with low per capita personal income and high outmigration. The region shares many of these common challenges, but also has a common set of assets, as well as historical and geographic ties. A regional economic development approach would help address these challenges with an eye toward these common challenges and opportunities, and allow true economic development to succeed in the region.

Despite a national trend toward the creation of independent entities focused on regional economic development (i.e., the Appalachian Regional Commission, Denali Commission, Delta Regional Authority, and Northern Great Plains Regional Authority), there is currently no single regional economic development entity focused on the needs of the Northeast region.

## **Guiding Principles**

While numerous programs have been created to address the needs described above, many have experienced various levels of success. The Northeast Regional Development Commission will compliment existing efforts because of four guiding principles:

- **Bottom-Up:** The Commission utilizes a model that facilitates a “bottom-up” approach where local development districts and others bring project ideas and priorities to the Commission from the local level. In addition, this model helps foster improved collaboration and coordination within a sub-state region and among federal and state agencies, while also serving as a vehicle to leverage additional public and private sector investments. Ultimately, this approach ensures that actions taken reflect both local needs and regional economic development goals.
- **Regional:** The Commission will fund projects that both strengthen traditional sectors in the region’s economy and lead to a more diversified economy. By taking a regional view, the Commission can promote projects that confer a broader benefit without states having to compete between themselves for scarce funds for the Northeast.
- **Independent:** The Commission will be an independent agency. It will not be subject to another Federal agency’s mission requirements or shared goals with the rest of the country—only a mandate to promote economic development that truly benefits the Northeast.
- **Federal/State Management:** The Commission will be comprised of one Federal representative and the designee of the governors of the participating states. This structure requires the approval of both the federal representative and the governors, resulting in a joint policy-making model, instead of a one-way directive from Washington or a no strings block grant structure.

## **Bill Highlights**

- **Composition** – The Commission will be comprised of up to four state members – the governors of the four Northeast Border States or their designees – and a Federal member.
- **Duties** – The Commission’s primary responsibility will be the approval of grants and economic development plans for the region. In general, the commission is also responsible for:
  - Developing an area-wide regional plan and priorities.
  - Performing research, evaluation, and analysis.
  - Recommending forms of interstate cooperation and coordinating regional growth strategies with stakeholders.
  - Supporting and enhancing the activities of local development districts.
  - Promoting private investment in the region.
  - Publishing an annual report.
- **Development Planning Process** – The legislation sets forth a development planning process, the end product of which is used by the Commission to determine which projects to fund. The process begins at the local level when existing local development districts come together to develop a local development plan. Each state is then responsible for approving the local development plans within their purview and compiling a state development plan for submission to the Commission. Finally, the Commission is responsible for writing a regional development plan, based largely upon the state plans, but also including input from the private sector, academia, and non-governmental organizations.
- **Grant Programs** – The Commission will provide grants for projects that are consistent with local and regional development plan priorities. Examples of what the Commission can fund include:
  - Community and economic development projects
  - Local planning and leadership development
  - Basic public infrastructure, including high-tech infrastructure and productive natural resource conservation
  - Information and technical assistance for the modernization and diversification of the forest products industry to support value-added forest products enterprises
  - Forest-related cultural and heritage tourism
  - Assistance for the region in obtaining job training, employment-related education, and business development
- **Authorization of Appropriations** – The Commission is authorized at \$40 million for each of fiscal years 2004 through 2008. The Authority will have to be reauthorized after October 1, 2008.